

Message Text

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INFO OCT-01 OIC-02 ISO-00 IOE-00 SP-02 AF-10 ARA-10
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-----091353Z 000607 /42

P 081710Z JUN 77
FM AMEMBASSY VIENNA
TO SECSTATE WAHSDC PRIORITY 2039
INFO USERDA HQ WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 1 OF 3 VIENNA 4667

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DEPT PASS IO/SCT; OES FOR BORIGHT; ACDA FOR VAN DOREN
ERDA GERMANTOWN FOR H. LYON/DSS
FOR US NRC

E.O. 11652: GDS
TAGS:--
SUBJECT: BOARD OF GOVERNORS MEETING; SPECIAL SAFEGUARDS
IMPLEMENTATION REPORT (SSIR)

SUMMARY: SSIR DISTRIBUTED JUNE 8 TO MISSIONS IS MOST
IMPORTANTLY AN EXTENSIVE DESCRIPTION OF WHAT AGENCY IS
TRYING TO DO IN ITS SAFEGUARDS IMPLEMENTATION AND SPECIFIC
PROBLEMS ENCOUNTERED. SSIR PRESENTS DETAILED RECOMMENDATIONS
AND PROPOSED ACTION PLANSS TO IMPROVE SITUATION IF BOARD
WANTS SUCH IMPROVEMENT. USG WILL WANT TO REVIEW DETAILED
TECHNICAL ASPECTS OF REPROT SUCH AS THRESHOLD OF NUCLEAR
MATERIAL QUANTITY SIGNIFICANCE, TIMELINESS CRITERIA AND
MANPOWER IMPLICATIONS. NEED FOR MORE FREQUENT AND EFFECTIVE
USE OF SAGSI COMMITTEE IS EVIDENT. ACTION REQUESTED:
APPROVAL TO SUPPORT DIR. GEN.'S REQUEST FOR BOARD
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SUPPORT ON APPROACHES TO INDIVIDUAL STATE, SEEKING
IMPROVEMENTS IN THEIR COOPERATION. END SUMMARY.

2. GOV. 1842, IAEA'S FIRST SPECIAL SAFEGUARDS IMPLEMENTATION
REPROT (SSIR) COVERING THE CALENDAR YEAR 1976, WAS
DISTRIBUTED TO MISSIONS JUNE 8. FOLLOWING ARE MISSION
COMMENTS AND SUGGENSTIONS ON DOCUMENT, WHICH IS AGENDA ITEM

9A. FOR BOARD OF GOVERNORS' MEETING BEGINNING JUNE 14.
COPIES OF DOCUMENT AIRMAILED TO BORIGHT, OES.

3. STRUCTURE AND CONTENT: A) BRIEF COVER NOTE BY DIR
GEN HAS FOLLOWING RECOMMENDATION TO BOARD: REQUEST BG
APPROVE DIR GEN APPROACHING CERTAIN INDIVIDUAL STATE ON
URGENT BASIS TO MAKE SPECIFIC CHANGES IN THEIR SITUATIONS
VIS-A-VIS IAEA SAFEGUARDS (SEE PARA 5 BELOW). DIR GEN
ALSO NOTES A) HE PLANS SUBMIT DETAILED TECHNICAL IMPROVEMENT

ACTION PLANS SET OUT IN SSIR TO SAGSI FOR EVALUATION, AND
B) NEED FOR UPGRADING OF SECRETARIAT'S SAFEGUARDS
EVALUATION CAPABILITY.

B) SECTION 1. OF SSIR IS GENERAL INTRODUCTION TO REPORT,
WHICH OUTLINES INTER ALIA ELEMENTS OF JUDGMENT USED BY
IAEA MANAGEMENT IN REACHING OVERALL CONCLUSIONS OF NON-
DIVERSION.

C) SECTION 2 OF SSIR SETS FORTH MAIN CONCLUSION AND
RECOMMENDATIONS. THE OVERALL CONCLUSION IS STATE IN
THE SSIR AS FOLLOWS:

QUOTE: FROM THE ANALYSIS OF THE AGENCY'S SAFEGUARDS
ACTIVITIES DURING 1976, THE SECRETARIAT HAS CONCLUDED
THAT IN NONE OF THE 41 STATE IN WHICH INSPECTIONS WERE
CARRIED OUT WAS THERE ANY DIVERSION OF A SIGNIFICANT
QUANTITY OF SAFEGUARDED NUCLEAR MATERIAL AND THE
SECRETARIAT IS CONFIDENT THAT IN THESE STATE THERE WAS
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NO DIVERSION AT ALL. THIS CONCLUSION IS BASED
PARTLY ON QUANTITATIVE ANALYSES AND PARTLY UPON ELEMENTS
OF JUDGEMENT.

IT IS, OF COURSE, DESIRABLE TO REDUCE THE ROLE OF SECRETARIAT
JUDGEMENT AND TO INCREASE THE AGENCY'S ABILITY TO BASE
ITS CONCLUSIONS ON THE ATTAINMENT OF QUANTITATIVE
VERIFICATION OBJECTIVES. THIS MUST BE ONE OF THE
CONTINUING AIMS OF THE SAFEGUARDS PROGRAMME. UNQUOTE.
EIGHT DETAILED RECOMMENDATIONS ARE MADE IN SECTION 2
RELATIVE TO NEED TO IMPROVE PRACTICES OF CERTAIN STATE
VIS-A-VIS IAEA SAFEGUARDS: (THESE STATE ARE NOT RPT NOT
IDENTIFIED BY NAME BUT RATHER BY DESCRIPTION OF SPECIFIC
PROBLEMS).

1) STATES CONCERNED SHOULD USE MEASURED MATERIAL BALANCE
CONCEPT AT BULK HANDLING FACILITIES.

2) THEY SHOULD DETERMINE MUF AND ITS MEASUREMENT ACCURACY
THROUGH SYSTEMATIC PERIODICAL PHYSICAL INVENTORY-TAKING.

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L-03 NSAE-00 NSC-05 EB-07 NRC-05 OES-07 FEAE-00
DODE-00 PM-04 /128 W
-----091355Z 000350 /42

P 081710Z JUN 77
FM AMEMBASSY VIENNA
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- 3) THIS SHOULD BE DONE TWICE A YEAR FOR FACILITIES CONVERTING OR FABRICATING LOW ENRICHED URANIUM AND FOUR TIMES A YEAR IN FACILITIES THAT PROCESS HEU OR PU.
- 4) STATES ACCOUNTING PROCEDURES NEED IMPROVEMENT.
- 5) EVALUATION OF MEASUREMENT ACCURACY NEEDS IMPROVEMENT.
- 6) EVALUATION OF LOSSES AND PROCESS HOLD-UPS NEED IMPROVEMENT.
- 7) METHODS OF STORAGE AND STACKING NUCLEAR MATERIAL NEED IMPROVEMENT TO FACILITATE (PERMIT) INSPECTION.
- 8) CONTAINMENT AND SURVEILLANCE MEASURES SHOULD BE ALLOWED TO BE USED BY IAEA WHERE NEEDED.

RECOMMENDATIONS/COMMENTS REGARDING FOUR FACILITY TYPES ARE GIVEN IN SECTION 2 INCLUDING, FOR BULK FACILITIES, THE SUGGESTION QUOTE IT MAY BE DESIRABLE TO MAINTAIN ONLY INVENTORY (AND NOT FLOW) VERIFICATION AT FACILITIES FOR CONVERSION OF NATURAL URANIUM AND FOR FABRICATION OF NATURAL URANIUM FUEL ELEMENTS. UNQUOTE.

D) SECTION 3 OF SSIR GIVES NOTES AND FACTORS INVOLVED IN EVALUATING SAFEGUARDS EFFECTIVENESS. IT HIGHLIGHTS THE DIFFERENCES
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FERENCES IN IMPLEMENTATION UNDER NPT AGREEMENTS (INFCIRC/153) AND NON-NPT AGREEMENTS (INFCIRC/66/REV 2). IT ALSO SPELLS OUT IN SOME DETAIL TECHNICAL CRITERIA BEING USED BY SECRETARIAT. SECTION 3 ALSO CONTAINS FOLLOWING WORDS ON SECRETARIAT'S USE OF QUALITATIVE CONSIDERATIONS IN ARRIVING AT ITS OVERALL CONCLUSIONS ABOUT NON-DIVERSION:

QUOTE 3.10 QUALITATIVE EVALUATIONS MADE NECESSARY BY LOW INVENTORY FREQUENCY, INCOMPLETE VERIFICATION ACTIVITIES AND THE ABSENCE OF INFORMATION ON THE ACCURACY OF ACCOUNTANCY DATA ARE BASED ON THE INDIVIDUAL AND COLLECTIVE JUDGEMENT OF THE SECRETARIAT. SPECIFIC FACTORS TAKEN INTO CONSIDERATION ARE LISTED IN THE INTRODUCTION TO THIS REPORT.

3.11 THE ESTABLISHMENT OF GENERAL VALUES FOR SIGNIFICANT QUANTITIES, TIMELINESS OF DETECTION AND PROBABILITY OF DETECTION DETERMINES A TARGET OF SAFEGUARDS EFFECTIVENESS. THE TARGETS CURRENTLY SET BY THE SECRETARIAT CAN BE REACHED WITH THE STAFF AT PRESENT AVAILABLE PROVIDED ALLOWANCE IS MADE FOR SOME QUALITATIVE CONSIDERATIONS. SETTING OF A TIGHTER TARGET PARTICULARLY IN REGARD TO TIMELINESS AND/OR REPLACING OF THE QUALITATIVE CONSIDERATIONS BY QUANTITATIVE CONCLUSIONS WOULD RESULT IN A SUBSTANTIALLY GREATER INSPECTION WORK LOAD AND REQUIRE SIGNIFICANT IMPROVEMENTS IN STATES' ACCOUNTING AND CONTROL SYSTEM TO PERMIT THE TIMELY COMPLETION OF ALL PLANNED VERIFICATION ACTIVITIES. UNQUOTE.

THIS SHOULD BE CONSIDERED IN LIGHT OF STATEMENT QUOTED AT BEGINNING OF 3C ABOVE. SEE ALSO PARA 6 BELOW.

E. SECTION 4 OF SSIR CONTAINS THE FINDINGS AND RECOMMENDATIONS RELEVANT TO STATES. THIS IS QUITE DETAILED INFORMATION OF A FACTUAL NATURE. MAJOR BREAKDOWN IS BY THREE CATEGORIES OF STATES. FIRST CATEGORY IS THOSE FIVE STATES SUBJECT TO IAEA SAFEGUARDS WHICH HAVE POWER REACTORS (P), COMMERCIAL SIZE BULK HANDLING FACILITIES (B) AND RESEARCH AND DEVELOPMENT FACILITIES (R). SECOND CATEGORY IS THOSE NINE STATES WITH ONLY P

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AND R TYPE FACILITIES, AND THE THIRD CATEGORY IS THOSE 27 STATES WITH ONLY R TYPE FACILITIES. EACH CATEGORY IS DISCUSSED IN TERMS OF 1) COMPLETENESS OF AGENCY SAFEGUARDS ACTIVITIES IN THE DIFFERENT COUNTRIES IN THAT CATEGORY, 2) EXISTENCE OF NON-SAFEGUARDED ACTIVITIES IN THE DIFFERENT COUNTRIES, 3) DETAILED DESCRIPTION OF SSAC'S IN TERMS OF THE ELEMENTS OF SSAC CALLED FOR IN PARA 32 OF INFCIRC/153, AND 4) THE EXTENT TO WHICH AGENCY OBJECTIVES WERE MET.

F. SECTION 5 OF SSIR PRESENTS FINDINGS AND ACTION PLANS AND RECOMMENDATIONS RELEVANT TO VARIOUS TYPES OF FACILITY: LIGHT WATER REACTORS, ON-LAZRO#REACTORS, BULK HANDLING

FACILITIES KKFDR#NATURAL AND LOW ENRICHED U CONVERSION
AN FABRICATION FACILITIES, HEU FABRICATION FACILITIES, AND PU
FABRICATION AND STORAGE FACILITIES) AND RESEARCH REACTORS AND
CRITICAL ASSEMBLIES.

G. SECTION 6 OF SSIR PRESENTS STATISTICS ON IAEA INSPECTION
EFFORT IN 1976 WITH SPECIAL EMPHASIS ON REACTORS AND BULK
HANDLING FACILITIES.

NOTE BY OC/T: #AS RECEIVED.

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DODE-00 PM-04 /128 W

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P 081710Z JUN 77

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4. IN VIEW OF DETAILED AND COMPLEX NATURE OF SSIR AND FACT
IT WAS RELEASED LESS THAN ONE WEEK PRIOR TO BG MEETING,
MISSION EXPECTS OTHER BOARD MEMBERS WILL NOT BE PREPARED TO
MAKE SUBSTANTIVE COMMENTS ON IT NEXT WEEK. BOARD MEETING
PRIOR TO GENERAL CONFERENCE IN SEPTEMBER WOULD BE NEXT NORMALLY
AVAILABLE TIME FOR MAKING SUCH COMMENTS. MISSION SEES NO
SERIOUS PROBLEM IN THIS SINCE SUBJECT AND DETAILS SHOULD
RECEIVE CAREFUL CONSIDERATION OF ALL BOARD MEMBERS AND FURTHER,
THIS WOULD GIVE USG TIME TO SEEK SUPPORT OF OTHER BOARD
MEMBERS FOR U.S. POSITION.

5. IF CONSENSUS DEVELOPS TO PUT OFF DISCUSSION UNTIL SEPTEMBER,
MISSION RECOMMENDS U.S. DEL TAKE FOLLOWING POSITION:

(A) IN VIEW OF URGENCY CITED IN SSIR FOR EARLY ACTION BY CERTAIN MEMBER STATES TO FACILITATE MORE EFFECTIVE IAEA SAFEGUARDS, U.S. SHOULD URGE BOARD TO APPROVE DG'S REQUEST FOR AUTHORIZATION TO SEND LETTERS TO APPROPRIATE STATES AND ASK DG TO REPORT ANY RESPONSES TO BOARD. MISSION RECOGNIZES THIS MAY BE UNPOPULAR POSITION AND THAT SOME BOARD MEMBERS WILL
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PROBABLY WISH TO HAVE THIS ACTION DIFFUSED, DELAYED OR KILLED. THEREFORE SUPPORT FROM OTHER BOARD MEMBERS SHOULD BE SOUGHT.

(B) IN VIEW OF IMPORTANT ROLE PROPOSED BY DIRECTOR GENERAL FOR SAGSI (IN EVALUATING THE SPECIFIC RECOMMENDATIONS FOR UP-GRADING SAFEGUARDS OPERATIONS) U.S. DEL SHOULD URGE THAT SAGSI MUST BE MORE ACTIVE IN TERMS OF FREQUENCY, DURATION AND ACCOMPLISHMENT IN FACE OF THE PROBLEMS WHICH NEED TO BE DEALT WITH HAS BEEN IN MISSION VIEW, QUOTE INADEQUATE. THIS IS NOT A REFLECTION ON THE ABILITIES OR EFFORT OF INDIVIDUAL SAGSI MEMBERS, BUT RATHER ON THE DIR GEN'S LACK OF EFFICIENT USE OF SUCH A GROUP. DEFERRAL OF TECHNICAL RECOMMENDATIONS OF SSIR SECTION 5 TO SAGSI SHOULD NOT PRECLUDE BOARD FROM ALSO DISCUSSING THEM IF IT WISHES.

6. SSIR ACKNOWLEDGES THAT OVERALL CONCLUSION (THAT THERE HAVE BEEN NO DIVERSIONS) IS BASED ON TWO COMPONENTS: FIRST IS QUANTITATIVE COMPONENT RESULTING DIRECTLY FROM TECHNICAL ASPECTS OF SAFEGUARDS IMPLEMENTATION. SECOND IS COMPONENT OF PROFESSIONAL JUDGMENT OF IAEA MANAGEMENT DERIVED FROM INTANGIBLE AND NON-QUANTIFIABLE CONSIDERATIONS OF EACH SITUATION. BULK OF REPORT (SECTIONS 4 AND 5), HOWEVER, CONTAINS DETAILED INFORMATION ON SHORTCOMINGS OF THE QUANTITATIVE COMPONENT AND HOW TO OVERCOME THOSE FAILURES SO AS TO ENABLE THAT OBJECTIVE AND QUANTIFIABLE COMPONENT TO PLAY A MORE SIGNIFICANT PART IN ARRIVING AT AN OVERALL CONCLUSION, THUS REDUCING THE ROLE OF SUBJECTIVE JUDGMENT. MEMBERS LESS INTERESTED IN EFFECTIVE IAEA SAFEGUARDS ARE LIKELY TO FOCUS ON OPTION IMPLIED IN LAST SENTENCE OF SSIR PARA 3.11 QUOTED ABOVE AND TAKE POSITION THAT THE CURRENT BALANCE BETWEEN QUANTITATIVE EFFORTS AND JUDGMENT IS INADEQUATE AND THAT THERE IS NO NEED TO FOLLOW THE PROPOSALS FOR MORE RIGOROUS TECHNICAL IMPLEMENTATION.

7. THERE WILL BE A SEPARATE PAPER AVAILABLE TO BOARD MEMBERS (ON REQUEST) ON FRIDAY, JUNE 10, WHICH WILL CONTAIN DETAILED
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TABULAR INFORMATION ON FACILITIES AND VERIFICATION
ACTIVITIES IN 1976.

8. MISSION REQUESTS INSTRUCTIONS FOR THIS AGENDA ITEM AT
FORCOMING BG MEETING, TAKING INTO ACCOUNT PARAS 4 AND 5
ABOVE.LABOWITZ

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, NUCLEAR SAFEGUARDS, PROGRAMS (PROJECTS)
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Sent Date: 08-Jun-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2220902
Secure: OPEN
Status: NATIVE
Subject: BOARD OF GOVERNORS MEETING; SPECIAL SAFEGUARDS IMPLEMENTATION REPORT (SSIR) SUMMARY: SSIR DISTRIBUTED
JUNE 8 TO MISSIONS IS MO
TAGS: OCON, TECH, PARM, IAEA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3a401782-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009